MegaChips Corporation Briefing
FY2026 1Q
(Ending March 2027)

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August 2026

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FY2026 1Q(ending March 2027) Results

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Consolidated results (P/L) Summary

(Unit : ¥ Million)1		FY2025 1Q Full-year results (ended Mar 2026)	FY2026 1Q Full-year results (ending Mar 2027)	YoY	FY2026 Full-year forecast published on May 14, 2026 (ending Mar 2027)
Consolidated	Sales	6,490	10,153	+56.4%	42,000
	Cost of sales	5,500	7,774	+41.3%	
	SG&A expenses	1,379	1,930	+39.9%	
	Operating income	△389	448	−	2,500
	Ordinary income	△752	426	−	2,000
	Net profit belonging to shareholders of parent company	△575	33,400	−	33,000
	Earnings Per Share (¥)	△34.10	2,283.65	−	2,205.74

Operating income after adjustment	-	1,058		−

Exchange rate : US$	144.81 JPY	162.39 JPY		140.00 JPY

※ Operating income after adjustment for FY2026 1Q excludes taxes and public dues associated with external standard taxation of gain and loss on sale of investment securities.

※ In the fiscal year ending March 2027, a gain of 48,400 million JPY from the sale of investment securities was recorded as an extraordinary profit due to the partial sale of shares in SiTime Corporation.

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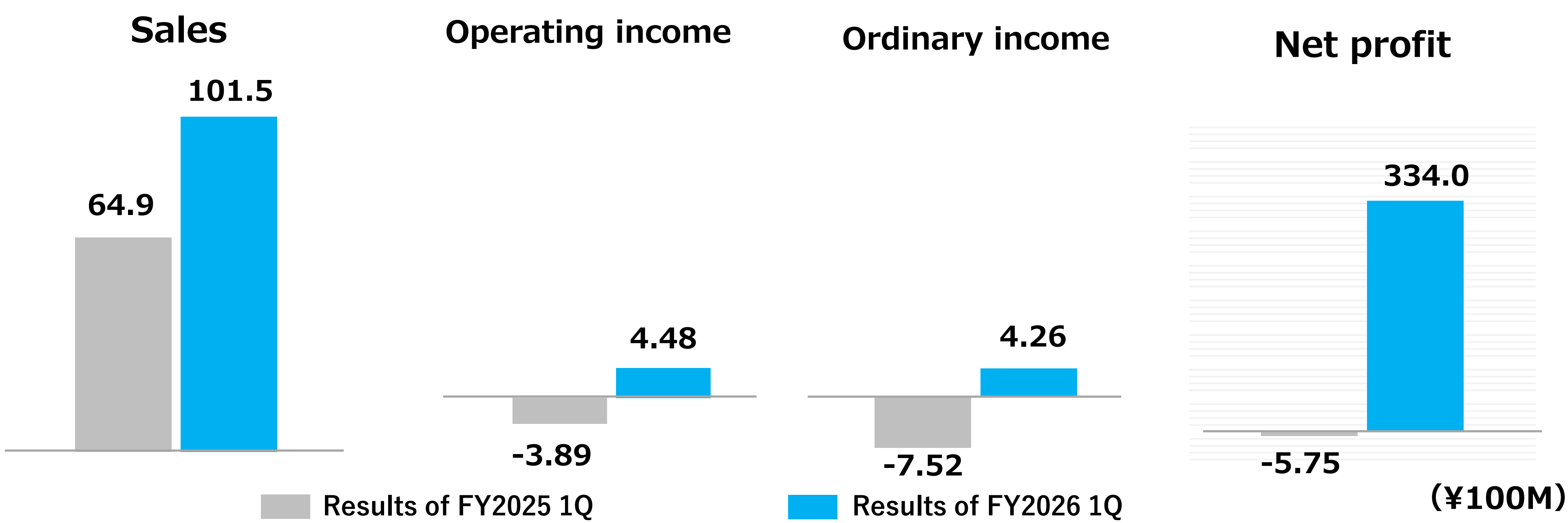
FY2026 1Q (ending March 2027)

Consolidated results (P/L) Breakdown



Sales +3,660M JPY

【Reasons for YoY Changes】
- Amusement business: Product sales increased year-on-year.
- Amusement business: Both product sales and NRE sales increased year-on-year.

Operating income +830M

【Reasons for YoY Changes】
- Increase in gross profit due to higher sales in Amusement and ASIC businesses.
- External standard taxation of 610M JPY on the gain on sale of investment securities in SiTime share was recorded as SG&A.

Ordinary income +1,170M JPY

【Reasons for YoY Changes】
- Increase in operating income
- Decrease in foreign exchange losses

Net profit +33,970M JPY

【Reasons for YoY Changes】
- Increase in ordinary income
- Recorded a gain of JPY 48.4 billion from the sale of SiTime shares.
- Quarterly profit attributable to owners of the parent for the first quarter reached a record high.

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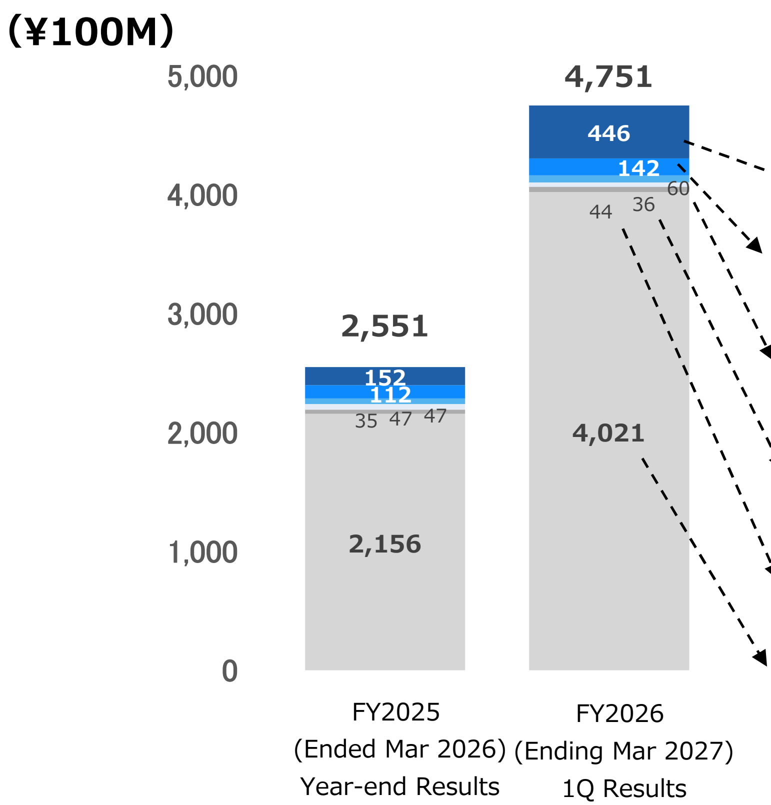
FY2026 1Q (ending March 2027)

Financial Status (Assets)



(Unit : ¥100M)	FY25 Year-end	FY26 1Q	Change (FY25→FY26)	Change rate (change/FY25)
Cash/cash equivalents	152	446	+293	+192%
Notes/accounts receivables	112	142	+30	+27%
Inventories	47	60	+12	+26%
Other current assets	47	36	△ 11	△24%
Intangible/ Tangible fixed assets	35	44	+9	+26%
Investment and other assets	2,156	4,021	+1,864	+86%
Total assets	2,551	4,751	+2,199	+86%

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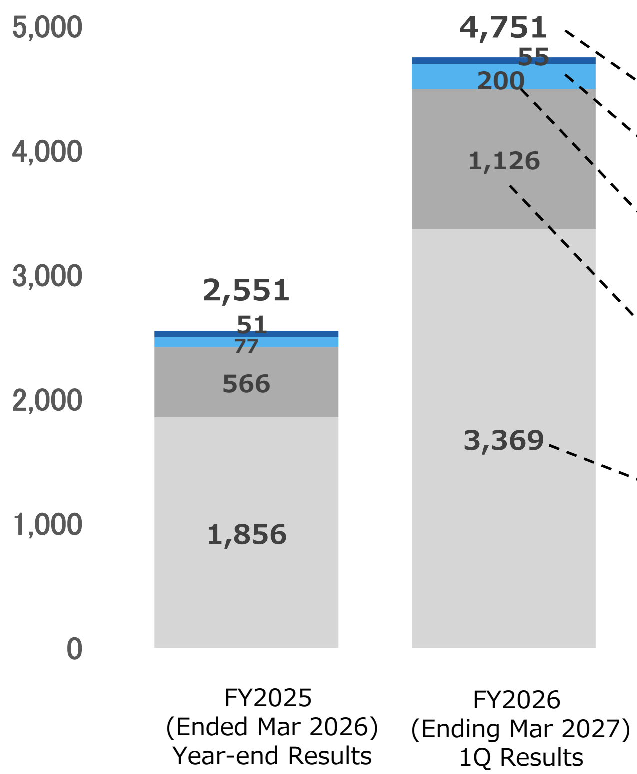
FY2026 1Q (ending March 2027)

Financial Status (Liabilities/Net assets)

(¥100M)



(Unit : ¥100M	FY25 Year-end	FY26 1Q	Change (FY25→FY26)	Change rate (Change/FY25)
Notes/account payables	51	55	+3	+7%
Interest-bearing debt	0	0	+0	–
Other current liabilities	77	200	+123	+159%
Other fixed liabilities	566	1,126	+560	+98%
Net assets	1,856	3,369	+1,512	+81%
Total liabilities and net assets	2,551	4,751	+2,199	+86%

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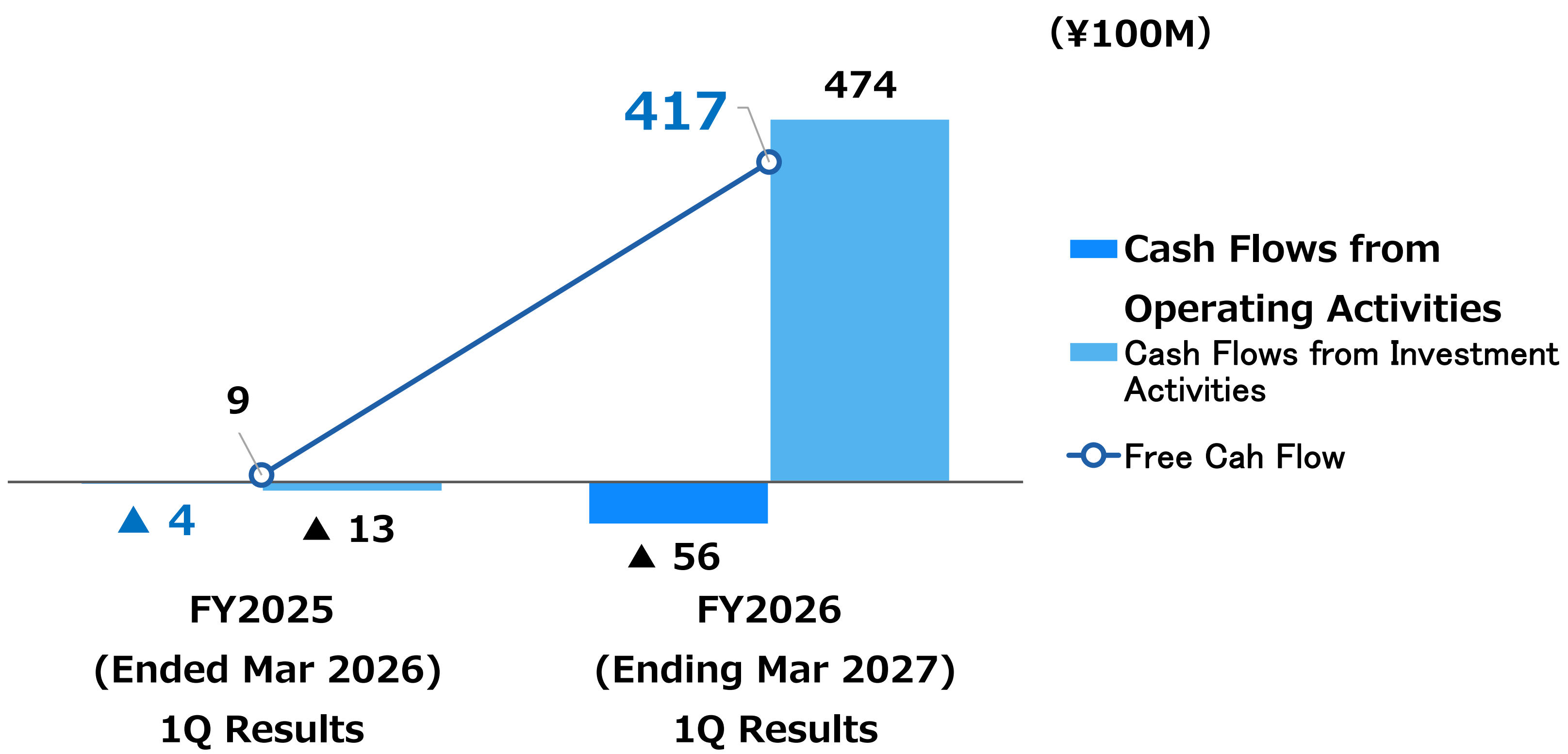
FY2026 1Q (ending March 2027)

Cash Flows



FY2026 (ending March 2027) Forecast

FY2026 (ending March 2027) Forecast

Shifting to a Sustainable Growth Phase
Through disciplined cost management and focused investment in high-value-added services, we will steadily achieve profitability.

(Unit : ¥ Million)	FY2025 Full-year results (ended Mar 2026)	FY2026 Full-year forecast (ending Mar 2027)
Sales	**36,169**	**42,000**
Operating income	**-174**	**2,500**
Ordinary income	**1**	**2,000**
Net profit belonging to shareholders of parent company	**9,284**	**33,000**
Earnings Per Share (JPY)	**578.31**	**2,205.74**

Exchange rate: US$	**159.88 JPY**	**140.00 JPY**

※ In the fiscal year ended March 2026, a gain of 15,100 million JPY from the sale of investment securities was recorded as an extraordinary profit due to the partial sale of shares in SiTime Corporation.
※ In the fiscal year ending March 2027, a gain of 48,400 million JPY from the sale of investment securities was recorded as an extraordinary profit due to the partial sale of shares in SiTime Corporation.

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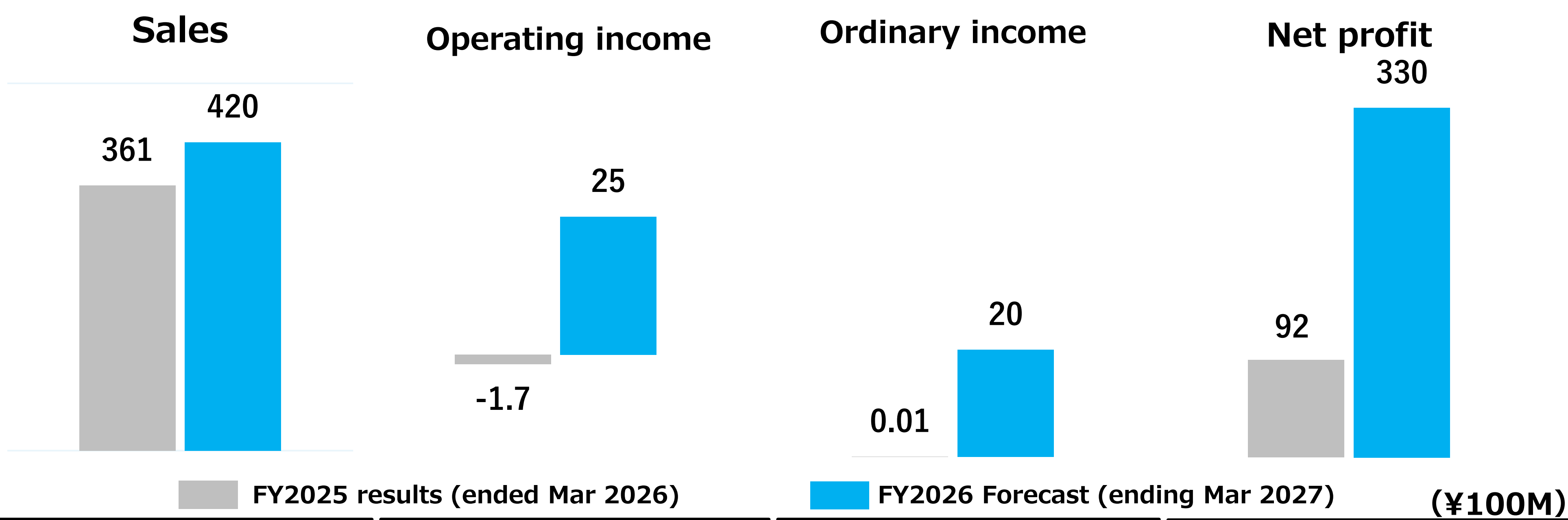
FY2026 Forecast (P/L) Breakdown



Sales YoY
+5,800M JPY (+16.1%)

【Reasons for YoY Changes】
- Customer demand is expected to increase in the Amusement business.
- In the ASIC business, product sales are expected to recover as customer demand bottoms out, and contract development (NRE) sales are expected to grow in both Japan and overseas.

Operating income YoY
+2,600M JPY (-)

- Targeting a V-shaped profit recovery, supported by higher profits in the Amusement business driven by sales growth and in the ASIC business driven by sales growth and improved profit margins.

Ordinary income YoY
+2,000M JPY (-)

- Significant year-on-year profit growth is expected, driven by higher operating profit.
- Non-operating income (expenses) is expected to remain negative, with ordinary profit remaining below operating profit.

Net profit YoY
+23.8B JPY (+255.4%)

- Higher ordinary profit is expected, along with an extraordinary gain of JPY 48.4 billion from the partial sale of SiTime shares. (An extraordinary gain of JPY 15.1 billion was recorded in the previous fiscal year.)

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FY2026 Mid-to long-term Management Policy

Progress of mid-to long-term management plan

Enhance corporate value by executing both business and financial strategies to strengthen business profitability and optimize shareholders' equity.

Business strategy

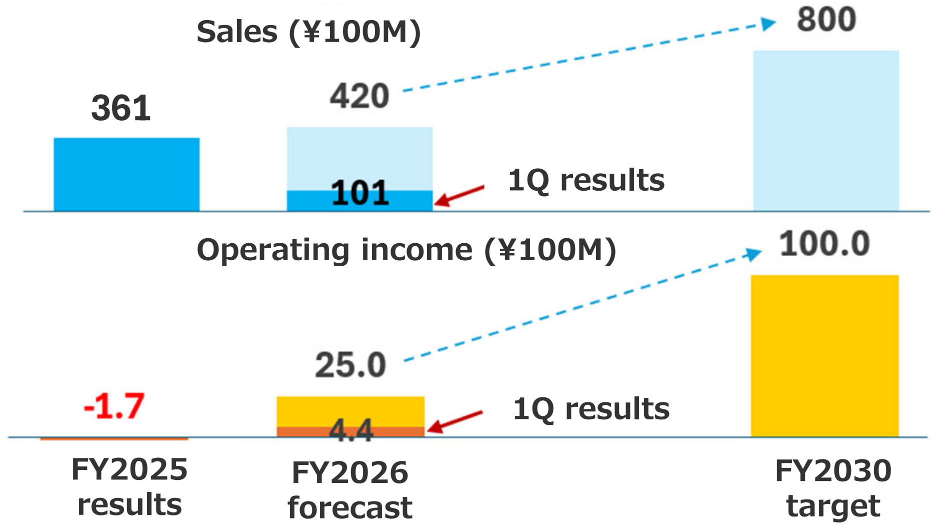
Expand sales, operating income, and net profit

- Strengthen existing businesses through investments in human resources, R&D, and global expansion
  ⇒ Enhance ASIC business profitability and accelerate ASSP business monetization
- Launch new businesses and develop them into profitable businesses
  ⇒ Drive growth in software and solution businesses

Through proactive medium- to long-term investments in business growth, transform the business portfolio and enhance corporate profitability.

- **Initiatives to strengthen profitability of existing businesses**
  Efforts to achieve a V-shaped recovery in sales and operating income⇒Progressing steadily as of the end of 1Q
- **Launch and nurture new businesses**
  Pursuing new business creation through strategic partnerships with U.S. Companies Acumino and CargoSense

Enhancing business profitability



Launching new businesses

Development and provision of next-generation AI-powered robot workers with advanced dexterity through an AI robot model enabling no-code robot training.
: Collaboration with Acumino

Provision of an autonomous supply chain execution platform enabling real-time centralized management of logistics data and proactive prevention of supply chain issues. : Collaboration with CargoSense

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Progress of mid-to long-term management plan

Enhance corporate value by executing both business and financial strategies to strengthen business profitability and optimize shareholders' equity.

Business strategy

Enhance capital efficiency while maintaining financial stability.

Planned sale of shares in SiTime ⇒ Proceeds from share sales will be allocated to growth investments, strengthening business foundations, and shareholder returns.

- A portion of the proceeds from share sales will be allocated to dividends to maintain stable and continuous shareholder returns.
- Share repurchases will be conducted to improve capital efficiency and enhance shareholder returns.

Steady progress on the medium- to long-term plan

● Planned sale of shares in SiTime	⇨ Sold 400000 shares in 1Q of FY2026 (¥48.4B gain from sale) (Ownership 13.0% → 11.5%)
● Maintain stable and continuous dividend payments	⇨ FY2026 (ending Mar 2027) dividend forecast ¥260/share (Reference : ¥140 in FY2024, ¥250 in FY2025)
● Share repurchases	⇨ Planning share repurchases of approx. ¥20B (about 2M shares) (Acquired approx. ¥9.1B (96K shares) by 1Q of FY2026)

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IR Policy

>> Purposes of investor relations and basic policy

MegaChips bases investor relations activities on the principles of fairness, timeliness, accuracy and continuity. We provide information about strategies, finances and other items in order to increase the transparency of our operations. To earn the trust of shareholders, investors and securities analysts and receive a proper evaluation, senior management frequently participates in investor relations activities.

>> Disclosure rules

MegaChips discloses information in accordance with the Financial Instruments and Exchange Law, Company Law and other laws and regulations (“laws and regulations” hereafter) and the Rules for Timely Disclosure of Corporate Information by Issuers of Listed Securities of the Tokyo Stock Exchange, where MegaChips shares are listed. Furthermore, even when not required by laws and regulations or disclosure standards in timely disclosure rules, we aggressively provide information that we believe has an effect on investment decisions by shareholders, investors and securities analysts and other information that we believe is useful to gain a better understanding of MegaChips.

>> Disclosure method

MegaChips distributes information using the Timely Disclosure network (TDnet) operated by the Tokyo Stock Exchange in accordance with timely disclosure rules. This includes information covered by the disclosure standards of the timely disclosure rules as well as information that we believe has an effect on investment decisions by shareholders, investors and securities analysts. In addition, we quickly post this information on the company Website.
We also provide other information that we believe is useful to gain a better understanding of MegaChips by issuing IR publications or news releases and posting this information on the company Website.

IR Policy

>> Forward-looking statements

The information MegaChips discloses may contain forward-looking statements. These statements are based on the judgments of management based on information available when the information was disclosed and thus embody uncertainties and risks ("risks" hereafter). Readers are cautioned to remember that actual results and other developments may differ from these forecasts for a number of reasons. Please refer to the "Cautionary Statement on Risks" section for more information.

>> Investment decisions

MegaChips discloses information for the purpose of giving people a better understanding of the company and not for the purpose of soliciting investments in securities issued by the company. Investors are asked to reach investment decisions on their own.

>> Provision of third-party information about MegaChips

Parties other than MegaChips, including securities analysts, the media and a variety of Internet information sites, announce information and forecasts about MegaChips. MegaChips is not in a position to comment on this information or express its support. However, if there is an obvious mistake in this third-party information that could cause a loss of trust in the company or prevent the company from receiving an appropriate evaluation, a correction will be announced and the proper information released.

>> IR "Quiet Period"

To prevent leaks of information about earnings releases that could affect its stock price and to ensure fairness, MegaChips observes a quiet period during the five business days prior to the earnings announcement for each quarter. During this period, the Company will not make any comments involving financial performance. However, information covered by laws and regulations and timely disclosure rules will be disclosed even during this quiet period and management will respond to inquiries about this information.

Inquiries regarding this document

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